

House Study Bill 629 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE
ON JUDICIARY BILL BY
CHAIRPERSON BALTIMORE)

A BILL FOR

1 An Act relating to pharmacy benefits management and the use,
2 sharing, selling, rental, leasing, and dissemination of a
3 covered individual's health information.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 510B.1, Code 2014, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 5A. “Marketing” means communication
4 about a product or service that encourages a recipient of the
5 communication to purchase or use the product or service.

6 Sec. 2. Section 510B.5, Code 2014, is amended to read as
7 follows:

8 **510B.5 Contacting covered individual — using, sharing,**
9 **selling, rental, leasing, and dissemination of covered**
10 **individual’s health information — requirements — prohibitions.**

11 1. A pharmacy benefits manager, unless authorized pursuant
12 to the terms of its contract with a covered entity and then
13 only for health or safety reasons, shall not contact any
14 covered individual without the express written permission of
15 the covered entity and the covered individual.

16 2. A pharmacy benefits manager shall not do any of the
17 following:

18 a. Use a covered individual’s health information or share
19 a covered individual’s health information with any pharmacy
20 affiliated with or owned, wholly or in part, by the pharmacy
21 benefits manager for any purpose including marketing, unless
22 all of the following conditions are met:

23 (1) Use of the covered individual’s health information is
24 medically necessary for the health and safety of the covered
25 individual.

26 (2) Use of the covered individual’s health information
27 is consistent with regulations promulgated by the centers
28 for Medicare and Medicaid services of the United States
29 department of health and human services, if such regulations
30 are applicable to the covered entity and covered individual.

31 (3) The covered individual provides express written
32 permission for such use of the information.

33 b. Sell, rent, lease, or disseminate a covered individual’s
34 health information unless the sale, rental, leasing, or
35 dissemination complies with all applicable federal and

1 state laws and the pharmacy benefits manager has received
2 express written permission for such sale, rental, leasing,
3 or dissemination from the covered entity and the covered
4 individual. A pharmacy benefits manager shall provide each
5 covered individual with an opportunity to affirmatively provide
6 express written permission for the sale, rental, leasing, or
7 dissemination of the covered individual's health information
8 prior to entering into any arrangement for the sale, rental,
9 leasing, or dissemination of such information to any other
10 entity or to any subsidiary owned, wholly or in part, by the
11 pharmacy benefits manager.

12 3. This section shall not be interpreted to prohibit the
13 use of a covered individual's health information in conjunction
14 with a covered entity's program to more effectively use
15 prescription drugs to improve the health and safety of the
16 covered individual.

17 EXPLANATION

18 The inclusion of this explanation does not constitute agreement with
19 the explanation's substance by the members of the general assembly.

20 This bill relates to pharmacy benefits management.

21 The bill amends provisions relating to the contacting of
22 covered individuals to include provisions relating to the
23 sharing of health information and marketing practices.

24 Currently, a pharmacy benefits manager is prohibited from
25 contacting a covered individual, unless authorized pursuant to
26 the terms of its contract with a covered entity, without the
27 express written permission of the covered entity. The bill
28 provides that in addition to these limitations, the pharmacy
29 benefits manager may only contact the covered individual for
30 health or safety reasons and only with the express written
31 permission of the covered individual.

32 The bill prohibits a pharmacy benefits manager from using a
33 covered individual's health information or sharing a covered
34 individual's health information with any pharmacy affiliated
35 with or owned, wholly or in part, by the pharmacy benefits

1 manager for any purpose, including marketing, unless use of
2 the covered individual's health information is medically
3 necessary for the health and safety of the covered individual;
4 is consistent with regulations promulgated by the centers
5 for Medicare and Medicaid services of the United States
6 department of health and human services, if such regulations
7 are applicable to the covered entity and covered individual;
8 and if the covered individual has provided express written
9 permission for such use of the information.

10 With regard to the selling, rental, leasing, or
11 dissemination of a covered individual's health information,
12 the bill prohibits a pharmacy benefits manager from selling,
13 renting, leasing, or disseminating such information unless
14 the sale, rental, leasing, or dissemination complies with all
15 applicable federal and state laws and the pharmacy benefits
16 manager has received express written permission for such sale,
17 rental, leasing, or dissemination from the covered entity
18 and the individual. A pharmacy benefits manager is required
19 to provide each covered individual with an opportunity to
20 affirmatively provide express written permission for the sale,
21 rental, leasing, or dissemination of the covered individual's
22 health information prior to the pharmacy benefits manager
23 entering into any arrangement for the sale, rental, leasing, or
24 dissemination of such information to any other entity or to any
25 subsidiary owned, wholly or in part, by the pharmacy benefits
26 manager.

27 The bill is not to be interpreted to prohibit the use of
28 a covered individual's health information in conjunction
29 with a covered entity's program to more effectively use
30 prescription drugs to improve the health and safety of the
31 covered individual.